

# EXHIBIT L

## ANALYSIS

### Lazarenko protected money from president, says banker

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The second week of the landmark money-laundering trial in a U.S. court of former Ukrainian Prime Minister Pavlo Lazarenko (May 1996-July 1997) got under way in San Francisco on March 22 with testimony from a Geneva bank officer who claims Mr. Lazarenko requested an \$85 million bank wire to protect the funds from President Leonid Kuchma.

Mr. Lazarenko is charged with using U.S. banks to launder at least \$114 million stolen from Ukraine, but he insists the proceeds were earned legally and that he is being persecuted for having mounted a political challenge to Mr. Kuchma's presidency ahead of a 1999 election.

Andre Walkowicz was the bank officer at Credit Suisse who handled the accounts of Mr. Lazarenko and his business partner, Petro Kirichenko. In a videotaped deposition, Mr. Walkowicz claimed Mr. Lazarenko was willing to pay substantial penalties in the late summer of 1998 for early withdrawal in order to rush the \$85 million to an offshore account in Guernsey in the British Channel Islands. In a private conversation the same day, Mr. Walkowicz said Mr. Lazarenko told him that he was taking the unusual step to protect his money from the Ukrainian president, whom he accused of seeking to punish him for his political temerity.

Mr. Walkowicz was asked whether Credit Suisse took steps to conduct due diligence on the source of the money in Mr. Lazarenko's and Mr. Kirichenko's accounts, and what level of management made the decision to deal with those two clients. Mr. Walkowicz replied that such decisions were made at the highest levels of the bank, for only they had access to reliable information about such funds. In order for Messrs. Lazarenko and Kirichenko to open accounts, Mr. Walkowicz testified, they needed senior approval at Credit Suisse, which has been accused by critics of failing to safeguard sufficiently against illegal transactions.

Swiss banks have long been accused of lax efforts to combat illegal transactions. Anonymous coded or numbered accounts present major hurdles to law-enforcement agents trying to combat the laundering of ill-gotten funds, particularly funds flowing out of post-Communist Europe and Russia. The Kremlin property manager under President Boris Yeltsin in the early 1990s, Pavel Borodin, was accused of using Swiss accounts to launder some \$30 million in illicit proceeds in connection with the Mabetex Kremlin-reconstruction scandal. Mr. Borodin was found guilty by a Swiss court and ordered to pay a fine of \$700,000, but refused to comply with that order. Swiss police confiscated \$743,000 from the Swiss account of Russian State Duma Deputy and singer Josef Kobzon late last year, insisting that those funds stemmed from illegal activities.

In his deposition, Mr. Walkowicz said another customer of his bank was Konstantyn Hryhoryshyn, a prominent Ukrainian businessman living

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in Russia who presented himself as a "partner of Mr. Lazarenko." Mr. Hryhoryshyn is also regarded as a business partner of Viktor Medvedchuk, the head of President Kuchma's administration, and oligarch Hryhorii Surkis, who is also among the leaders of the Ukrainian Social Democratic Party.

Mr. Hryhoryshyn was briefly held in Kyiv last year on gun and narcotics-possession charges. Mr. Hryhoryshyn said the charges were trumped up and that the real reason for his arrest was his refusal to provide money to Mr. Medvedchuk for political campaigns.

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